1544

Proceedings of the Government of His Highness the Maharaja of Mysore, (General),—dated 30th November 1894.

READ :—

The following letter, No. 536, dated 22nd November 1894, from the Deputy Commissioner, Mysore District, to the Chief Secretary to the Dewan of Mysore :—

I have the honor to state that some of the respectable raiyats of Palhalli, in the Seringapatam Taluk, have resolved to form an Agricultural Bank, on the lines sketched by the Dewan, in his last Dasara Speech. They met on the 18th instant, at Palhalli, and unanimously resolved to institute the Bank, and adopted the rules and memorandum of association, at the same meeting. The Proceedings embodying the same and signed by all the members, is submitted herewith.

2 There are now 16 members on the rolls, and the rules provide for lending not more than Rs. 1,000 to each member. The entrance fee has been fixed at a nominal amount, *viz.* 4 Annas. The rates of interest fixed are Rs. 7 per cent per annum for loans not exceeding Rs. 100 and 6 per cent for larger sums, to be recovered at the time of repayment. In other respects, the rules are the same as those contained in the Kanarese draft rules circulated with the Dasara address. The Amildar reports that the members are respectable and solvent, and that a sum of Rs. 16,000 may be lent to them without any risk.

3. I beg that the Proceedings may be forwarded to the Registrar of Joint Stock Companies for registration, and that sanction may be accorded to the institution of the Bank, and to the Advancing to the Bank by Government, from time to time, sums of money not exceeding in the aggregate Rs. 16,000 at any time.

4. I further request that the Government will be pleased to grant the concessions promised in the Address, for the remission of stamp, registration, and other dues, and for periodical audit by Government servants.

Proceedings of a meeting held on the 18th November 1894, at Palhalli Village, Seringapatam Taluk, for the establishment of an Agricultural Bank at Palhalli, in conformity with the rules published in the Mysore Gazette, as per scheme proposed on the subject by the Dewan at this year's Dasara Meeting.

Number of Members present—16.

All present consented to the proposal made by M. R. Ry. Venkatkrishnappa that M. R. Ry. Sahukar Papanna should preside at the meeting.

1. *Name.*—The Bank shall be called the Agricultural Bank of Palhalli of the Seringapatam Taluk of the Mysore District, and registered in the Mysore Joint Stock Companies Registrar's Office in accordance with the Indian Companies Act X of 1866 and come into operation from the 19th day of November 1894.—Accepted.

2. Articles of Association. Persons who have signed these proceedings shall be the Members of this Bank.—Accepted.

3. Resolved that the number of Members shall, for the present, consist of 16, and that others who may be declared by the Members to be eligible for admission under these rules, may also be taken as Members.—Accepted.

4. Members now admitted to the Association as well as those to be admitted hereafter, shall each pay an entrance fee of annas four and submit also a written application for admission.—Accepted.

5. At the general meeting of the Association, 5 of the Members shall be chosen as Directors for managing the affairs of the Bank, and for supervising their work, 5 to 6 shall, for the present, be chosen as Members of the Council.—Accepted.

6. *Mode of conducting business.*—The Directors shall conduct the business of the Bank in conformity with the arrangements made by the Councillors under the Bank rules.—Accepted.

7. Three of the Directors and not less than five of the Councillors form a quorum. The Directors shall attend the Bank House not less than twice a week and check the business of the Bank in all its branches and note the same in the minute book. The Councillors shall supervise the work once a month, *i. e.*, check all the dealings of the Bank since its last meeting and record suggestions as regards future transactions.—Accepted.

8. *Bank's transactions.*—The Bank shall carry on its dealings from the deposits made by Government as loans, at 4 per cent interest, as also from deposits made by others at the same rate of interest.—Accepted.

9. *Regulation of dealings.*—Dealings shall be carried on only between the Members of the Association in the manner noted below, and the full amount of interest shall be recovered at the time the loan is repaid.

I. On mortgage of immovable property. III. On joint instalment bonds.

10. Interest shall be collected at the rate of 6 per cent per annum in the case of loans made under clauses 1 and 3, at 7 per cent in the case of loans under clause 2 (Joint Promissory) when the amount is within Rs. 100 and at 6 per cent when it exceeds that sum, and in the case of advances under clause 4, at 1 pie per day for every Rs. 20—Accepted.

11. Loans not exceeding Rs. 1,000 per individual, may be granted on the mortgage of immovable property or on personal security, subject to repayment within a period of not exceeding 15 months. The amount of the loan shall not exceed $\frac{3}{4}$ of the estimated value of the property mortgaged.—Accepted.

12. *Promissory Notes.*—In dealings of this kind, loans not exceeding Rs. 1,000, may be granted on reliable security, subject to repayment within a period of not exceeding 6 months.—Accepted.

13. *Instalments.*—In loans of this kind to be made on the mortgage of immovable property or on joint security, the amount of the loan may extend to Rs. 500 subject to repayment in not exceeding 10 instalments.—Accepted.

14. *Advances.*—Loans not exceeding Rs. 25, may be granted to one person or to several persons jointly subject to repayment within a period of not exceeding 90 days. The period allowed for repayment of any loan shall in no case exceed 15 months including renewals.—Accepted.

15. The liability of a member shall not exceed the sum of Rs. (2,000) two thousand including his debts as well as those granted to others on his security.—Accepted.

16. *How to obtain a loan.*—Any member desirous of obtaining a loan, may apply to the Directors verbally or in writing for the same. In noting down such statements, the Directors shall clearly mention the object for which the loan is raised and the credit, &c. of the applicant and his surety.—Accepted.

17. Both the applicant for the loan and his surety should express the truth regarding their solvency as also the details of their property, &c. when questioned by the Directors. They shall be held responsible for any falsehood or defects in their statements. The Directors shall, as far as practicable, enquire into the truth of the said statements and thereafter sanction the loan.—Accepted.

18 *Accounts to be maintained.*—The accounts detailed in the schedule to be hereafter drawn up, shall be regularly maintained in the Bank. These are liable to be checked by the auditors nominated by Government every term.—Accepted.

19. *Stock in Bank.*—Title deeds and other documents shall be kept only in the Bank House. Officers authorized by Government and the Members of the Bank may inspect these accounts, title deeds and other documents as well as the cash balance.—Accepted.

20. *Disposal of Interest.*—Interest due on sums obtained from Government or from others, shall be paid to them either according to the term fixed or within the time agreed upon with depositors.—Accepted.

21. Establishment charges shall be defrayed at the close of each month.—Accepted.

22. If the Member who has obtained a loan repays it prior to the expiry of the period allowed for repayment, no interest need be collected for the remaining period.—Accepted.

23. *Cash to be maintained in the Bank.*—All sums exceeding the cash balance to be maintained in the Bank, shall be remitted to Government.—Accepted.

24. *Object of the Loan.*—The object of the loan shall be enquired into before it is made and if the amount is not spent for the express purpose for which it was borrowed, the same shall be recoverable, on a month's notice.—Accepted.

25. *Purposes for which loan may be raised.*—These shall be restricted to the purchase of manure, seed, cattle, agricultural implements and other appliances, payment of cooly and other charges of cultivation and of Kandayam, the maintenance charges of the cultivator during the cultivating season, the redemption of property from hypothecation or mortgage and similar other purposes. The loan shall not be made unless a means for its repayment within the fixed time, is seen to exist.—Accepted.

26. *Punishment in case of failure to comply with the terms of the contract.*—[illegible]ation of the conditions of the loan will disentitle the debtor from

1546.

27. *Reserve fund.*—This shall comprise all surplus profits excluding the Bank Establishment charges and interest on deposits.—Accepted.

28. This fund shall be utilized for meeting unforeseen losses sustained by the Bank in its dealings. The Members shall not be entitled to the said fund, if the Bank is wound up. But it may be used by the Members of the Association for a similar Bank in existence or one that might hereafter be established, or for some other charitable work within the limits of the Bank.—Accepted.

29. Members shall give their services gratuitously. The establishment and other charges shall, as far as possible, be sparing.—Accepted.

30. *Time of Meetings.*—Balance sheet shall be prepared once in every six months and the approval of the general meeting obtained therefor.—Accepted.

31. *Proposition Notice.*—If any council member wishes to make a new proposition, a week's notice shall be given to all the Members prior to the assembly of the meeting.

(*a*) If any member has anything to propose in the general meeting, 15 days' notice of the same shall be given prior to the holding of the meeting.—Accepted.

32. *Retirement of Members.*—If any member is desirous of severing his connection with the Bank, he must present a Razinama to the Directors and obtain the sanction of the Councillors therefor. If the resignation is accepted, the member so resigning will not be responsible for dealings transacted subsequent to the date of his resignation. His liability extends however for two years thereafter, in regard to previous dealings. If the Councillors are disinclined to accept such resignation, a general meeting shall be held and the matter disposed of in conformity with the resolution arrived thereat. If half the total number of Members do not consent to such Member severing himself from the Association, the Association may be wound up.—Accepted.

(1) The Bank Office shall be held in Palhalli Shanbhog Gopalkrishnaiya's house, No. 72.—Accepted.

(2) Shanbhog Venkatkrishnappa, Sahukar Papanna, Chikka Mayi gauda, Patel Siddegauda and Patel Narnappa shall be Directors.—Accepted.

(3) Arasinakere Chikkegauda, Maridevaru *alias* Timmanna, Gopalkrishnaiya, Giydaiya's son Siddaiya, Kappapa's Nanjanna, Karimanti Rangaiya shall be Councillors.—Accepted.

(4) Shanbhog Venkatkrishnappa shall be the Treasurer and conduct the business of the Bank under orders of the Directors, be in charge of cash, accounts and documents and carry on dealings.—Accepted.

(5) As all the members of the proposed Bank have met and agreed to these resolutions, a further meeting for confirming them is conisdered unnecessary and these shall be accepted as the Articles of Association and final Rules of the Bank.

(Signed) Sahukar Papanna, *Chairman.*

Members.

(Signed) 1. Venkatkrishnappa, Shanbhog.
" 2. Narnappa, Patel.
" 3. Siddegauda, Patel of Karimanta.
" 4. Sahukar Papanna.
" 5. Nanjanna.
" 6. Kalviregauda.
" 7. Marigauda.
" 8. Mark of Maridevaru *alias* Timmanna.
" 9. Siddegauda.
" 10. Rangaiya.
" 11. Kempegauda.
" 12. Tippamma's Marigauda.
" 13. Mark of Chikkegauda, attested by Siddegauda, Patel of Karimanta.
" 14. Chik Mayigauda.
" 15. Mark of Huchegauda, attested by Chik Mayigauda.
" 16. Gopalkrishnaiya, Shanbhog.

Admitted before me this 18th day of November 1894.

C. R. SESHAGIRI RAO